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Black Americans' Never-Ending Challenge

NNPA COLUMNIST

Lee A. Daniels

Within a matter of days late last month, four controversies erupted that acutely underscore the crux of Black Americans continuing challenge in this land.

In one, Emory University President James W. Wagner seemed to suggest that the bargaining among the delegates at the Constitutional Convention that produced the infamous three-fifths clause of the Constitution was a model of the value of compromise.

In the second, the February 21st Bloomberg Businessweek magazine cover had a drawing, above the title, "The Great American Housing Rebound," consisting of caricatures of grinning Black and Hispanic Americans cavorting in a house stuffed with dollar bills – suggesting that minority homeowners were gaming the mortgage system. Five years ago, conservatives made similar charges in trying to pin most of the blame for the collapse of the nation's housing bubble on Black and Hispanic borrowers.

The third controversy involved Dov Hikind, a prominent politician in Brooklyn, N.Y. who "corked up" in blackface, sunglasses and a wild Afro wig, as "a Black basketball player," to celebrate the Jewish festival of Purim. Before the volume of rebukes forced him to make an insincere apology, Hikind claimed that any criticism of his behavior was "political correctness to the absurd."

Finally, and most importantly, on February 27t the U.S. Supreme Court heard oral arguments in a challenge to the most important provision of the 1965 Voting Rights Act, the foundation of Blacks' political advancement since the 1960s. The case was brought by officials of Shelby County, Alabama.

There they are: One controversy that recalled the bargain the Founders made to insure the creation of the United States – which also insured that their own fortunes and the economic power of the fledgling nation would be built by continuing to exploit Africans and African Americans as slave labor. Two others which show that profoundly racist views of Blacks and other people of color still grip some individual Whites who should know better. And, last – the, apparently, never-ending effort of some individuals and entities in America to deny Black Americans democracy's fundamental marker of citizenship: the right to vote.

Many analysts think the court's conservative majority will strike it down

Of the four, the voting rights case — Shelby County v. Holder – is the most laden with a bitter irony. For one thing, Congress in 2006 re-authorized the Act by a vote of 98-0 in the Senate and 390-33 in the House of Representatives after extensive testimony made it clear that many of the jurisdictions covered by the Act, especially those in the South with long histories of concerted efforts to deny their Black residents access to the ballot in the Jim Crow decades, were still using such tactics as denying petitions for early voting, or reducing the hours for early voting, or moving polling stations to locations likely to reduce Blacks' turnout, and so on.

For another, just four years ago, the Supreme Court turned back a challenge to the Act in a case from Texas.

But in that case the justices sidestepped ruling whether the Act's key provision – its Section 5 clause – was constitutional. That clause requires jurisdictions covered by the Act to get permission from the Justice Department or a special federal court before changing voting procedures.

Now, many analysts think the court's conservative majority will strike it down.

Certainly, Justice Antonin Scalia made it clear that is his intent. During the oral arguments, he called the Act a "racial entitlement" program and dismissed the overwhelming 2006 Congressional vote to renew it as racial pandering. It's a point of view that a century and a half ago formed the foundation of the racist attack to destroy Reconstruction.

There's another bitter irony to the Shelby case. The debate in the court comes amid a continuing blizzard of laws and regulations in at least 38 states since President Obama's 2008 election to try to suppress the vote of Blacks and other Democratic-leaning voting blocs. Those efforts, widely publicized and attacked by civil rights and other groups, had just the opposite effect on Election Day 2012. They produced record-breaking turnouts of Black, Hispanic and Asian-American voters that signaled a deeper maturation of these groups' electoral power – and the growing peril shadowing the Republican Party's ability to contest future presidential elections.

That's the broader framework encompassing the Shelby County case. It continues the historical pattern of America's struggle over race and the meaning of democracy. Every "proof" Black Americans forge that shows they, too, can claim the "unalienable rights" the Constitution declared belong to all human beings has always provoked a fierce reaction from those Whites who've staked their status and identity on excluding them.

Yes, the United States is a long way from the evil bargain James W. Wagner foolishly cited as an example of a "good" compromise. But we're also a long way from the racial Promised Land some people foolishly think is just around the corner.

Lee A. Daniels is a longtime journalist based in New York City. His most recent book is Last Chance: The Political Threat to Black America.

Car-Title Loans Drive to Financial Disaster

RESPONSIBLE LENDING

Charlene Crowell

In today's still-struggling economy, many consumers find themselves short on cash. When consumers seek a credit remedy, one particular lender is likely to bring more problems than solutions: companies that make car title loans.

According to new joint research report by the Consumer Federation of America (CFA) and the Center for Responsible Lending (CRL), the average car-title loan of $951 winds up costing the typical borrower $2,142 in interest. Nationwide, 7,730 car-title lenders in 21 states reap $3.6 billion in interest on loans valued at only $1.6 billion.

The car-title loan uses a borrower's personal vehicle as collateral and additionally charges triple-digit interest rates, like those of payday loans. And similar to payday loans, the typical car-title loan requires full repayment in just one month. When borrowers cannot afford to pay in full, they are forced to renew their loan by paying additional interest and fees. The report found that a typical customer renews their loan eight times.

The report also found anecdotal instances in which car-title lender marketing practices have lured consumers by advertising 25 percent interest per month for a two-week loan. The actual rate of interest, however, equates to 300 percent annual percentage rate (APR). And it's not as though 300 percent APR is an offsetting risk to the lender: Car-title loans are usually made for only a fraction of the vehicle's market value - approximately 26 percent.

$3.6 billion in interest paid on $1.6 billion in loans

When borrowers can no longer keep up with interest payments, cars are repossessed and yet another fee is added to the borrower's debt. On average, these repossession fees run in the range of $350-$400 or about half of the borrower's remaining loan balance. The report found that one in six consumers was charged expensive repossession fees.

It's easy to sum up the central problems with car-title loans. As the authors write in the report, these loans "carry inherently unsuitable terms that cause already vulnerable borrowers to pay more in fees than they receive in credit while putting one of their most important assets at risk."

If you're thinking that there ought to be a law against this obviously predatory product, be sure to tell your state legislators. Most states with car-title loan laws either have no interest rate caps, or authorize triple digit interest.

Tracking how these loans affect consumers is one thing; financial reforms are quite another. In this regard, the CFA -CRL report calls for public policy actions at the state and federal levels.

For example, the federal Consumer Financial Protection Bureau could enact protections addressing loan terms and underwriting. States, on the other hand, could adopt rate caps of 36 percent on these loans.

Other policy recommendations include:

— Changing loan terms to equal monthly payments that would enable borrowers to gradually pay down their debt;

— Require written notice prior to borrowers and the right to redeem the vehicle before lenders repossess or sell the car; and

— In the event of a vehicle sale, return to the borrower any surplus between a new sales price and the remaining amount of money owed

In 2006, similar consumer protections were enacted to protect the military and their families. If President George W. Bush and Congress could agree to cap small loans at 36 percent annually for this consumer sector, it seems reasonable that the rest of us should be given the same protections.

Charlene Crowell is a communications manager with the Center for Responsible Lending.